

**Prosperous Printing Company Limited**  
**萬里印刷有限公司**

(Incorporated in Hong Kong with Limited Liability)

Stock Code: 8385

**2023**

**FIRST QUARTERLY  
REPORT**

## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

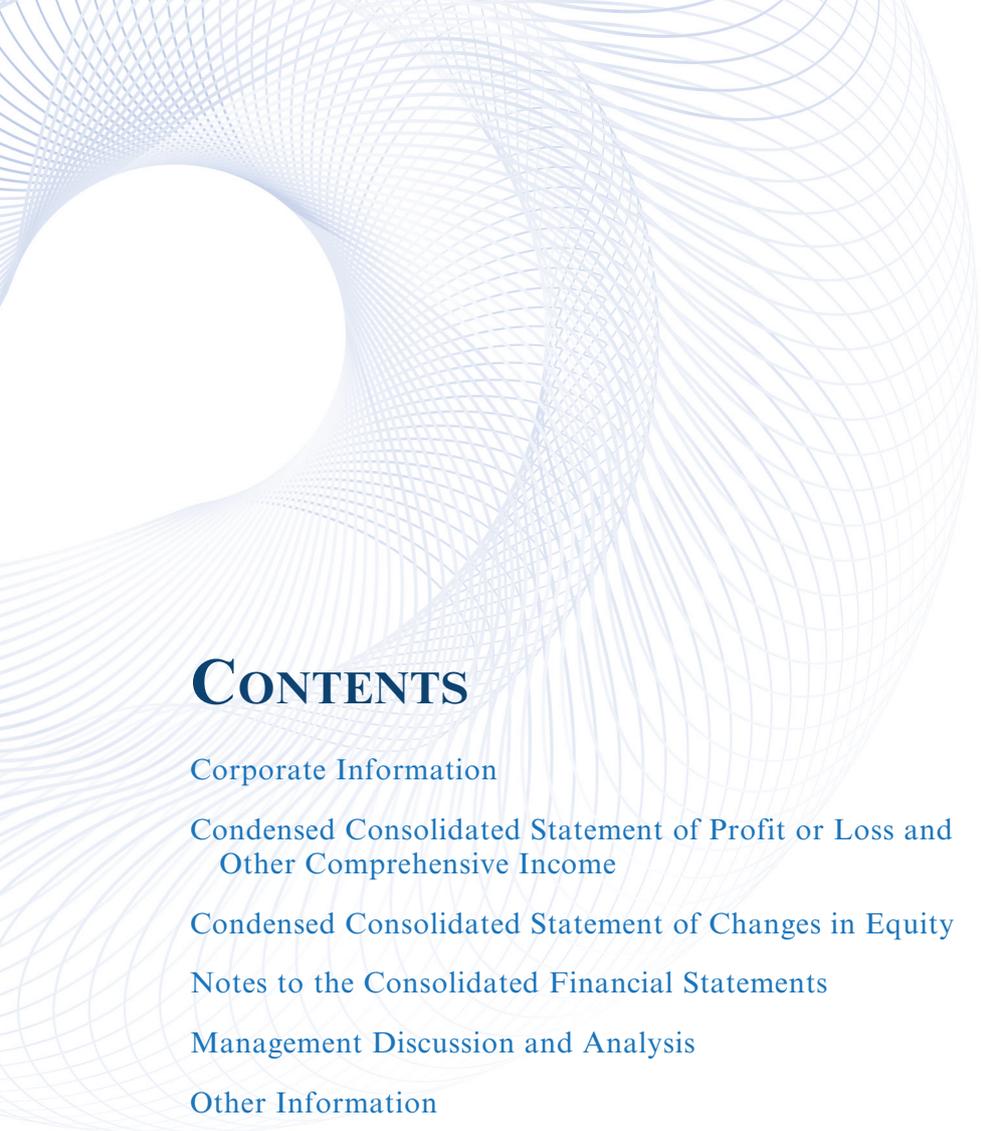
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**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This report, for which the directors (each, a “**Director**”) of Prosperous Printing Company Limited (the “**Company**”) together with its subsidiaries, collectively, the “**Group**”) and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

*This report will remain on the GEM website with the domain name of [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcement” page for at least 7 days from the date of publication and on the website of the Company at [www.prosperous-printing-group.com.hk](http://www.prosperous-printing-group.com.hk).*



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Lam Sam Ming (*Chairman*)  
Ms. Yao Yuan  
Ms. Chan Sau Po

### Independent non-executive Directors

Ms. Cheung Yin  
Mr. Wong Hei Chiu  
Mr. Leung Vincent Gar-Gene

## AUDIT COMMITTEE

Ms. Cheung Yin (*Chairman*)  
Mr. Wong Hei Chiu  
Mr. Leung Vincent Gar-Gene

## REMUNERATION COMMITTEE

Mr. Wong Hei Chiu (*Chairman*)  
Ms. Cheung Yin  
Mr. Lam Sam Ming

## NOMINATION COMMITTEE

Mr. Lam Sam Ming (*Chairman*)  
Mr. Wong Hei Chiu  
Ms. Cheung Yin

## RISK MANAGEMENT COMMITTEE

Mr. Lam Sam Ming (*Chairman*)  
Ms. Chan Sau Po  
Ms. Yao Yuan

## COMPANY SECRETARY

Mr. Chen Kun (*Solicitor of HKSAR*)

## AUTHORISED REPRESENTATIVES

Mr. Lam Sam Ming  
Ms. Chan Sau Po

## COMPLIANCE OFFICER

Ms. Chan Sau Po

## REGISTERED OFFICE, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

3/F, Yip Cheung Centre  
10 Fung Yip Street  
Chai Wan  
Hong Kong

## SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
Hang Seng Bank Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Standard Chartered Bank (Hong Kong) Limited

## HONG KONG LEGAL ADVISOR

Peter Chen Law Office

## AUDITOR

CWK CPA Limited  
Certified Public Accountants  
Registered Public Interest Entity  
Auditor  
Unit 2110-2111, 21/F, Cosco Tower  
183 Queen's Road Central  
Central  
Hong Kong

## COMPANY'S WEBSITE

[www.prosperous-printing-group.com.hk](http://www.prosperous-printing-group.com.hk)

## STOCK CODE

8385

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated financial results of the Group for the three months ended 31 March 2023 (together with the comparative unaudited figures for the corresponding period in 2022) as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2023

	Notes	Three months ended 31 March	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<b>Revenue</b>	4	<b>42,217</b>	43,303
Cost of sales		<b>(31,664)</b>	(35,279)
Gross profit		<b>10,553</b>	8,024
Other income		<b>4,252</b>	1,423
Distribution costs		<b>(6,738)</b>	(8,258)
Administration expenses		<b>(16,273)</b>	(16,771)
<b>Loss from operations</b>		<b>(8,206)</b>	(15,582)
Finance costs		<b>(2,357)</b>	(1,232)
<b>Loss before taxation</b>		<b>(10,563)</b>	(16,814)
Income tax	5	<b>(136)</b>	(108)
<b>Loss for the period</b>		<b>(10,699)</b>	(16,922)
<b>Other comprehensive income/(expense)</b>			
<i>Item that maybe reclassified subsequent to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<b>526</b>	143
<b>Total comprehensive expenses for the period</b>		<b>(10,173)</b>	(16,779)
<b>Loss per share:</b>		<b>HK cents</b>	HK cents
Basic and diluted	6	<b>1.34</b>	2.12

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2023

	Attributable to equity share holders of the Company					Total HK\$'000
	Share capital HK\$'000	Exchange reserve HK\$'000	Statutory surplus reserve HK\$'000	Capital reserve HK\$'000	Retained profits HK\$'000	
<b>At 1 January 2022</b>	100,843	1,088	5,125	3,318	19,911	130,285
Loss for the period	–	–	–	–	(16,922)	(16,922)
Other comprehensive expense for the period	–	143	–	–	–	143
<b>At 31 March 2022 (unaudited)</b>	100,843	1,231	5,125	3,318	2,989	113,506
<b>At 1 January 2023</b>	100,843	(11,737)	5,125	3,318	(39,744)	57,805
Loss for the period	–	–	–	–	(10,699)	(10,699)
Other comprehensive income for the period	–	526	–	–	–	526
<b>At 31 March 2023 (unaudited)</b>	100,843	(11,211)	5,125	3,318	(50,443)	47,632

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Prosperous Printing Company Limited (the “**Company**”) was incorporated in Hong Kong on 23 December 1992 with limited liability under the Hong Kong Companies Ordinance. The shares of the Company were listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 13 December 2017.

The address of the Company’s registered office is 3/F, Yip Cheung Centre, 10 Fung Yip Street, Chai Wan, Hong Kong.

The Company and its subsidiaries (together referred to as the “**Group**”) are principally engaged in the production and trading of books and paper products.

## 2. BASIS OF PREPARATION

This quarterly financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The quarterly financial report has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

This quarterly financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022 annual financial statements. The condensed consolidated quarterly financial results and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The quarterly results are unaudited but have been reviewed by the audit committee of the Company.

The financial information relating to the financial year ended 31 December 2022 that is included in the quarterly financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements, save for the fact that some staff costs that were recorded as direct labour in “Costs of Sales” for the three months ended 31 March 2022 are reclassified as “Administration Expenses”. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this quarterly financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 4. REVENUE AND SEGMENT REPORTING

### (a) Revenue

Revenue represents revenue arising from sales of goods and provision of services. An analysis of the Group's revenue for the period is as follows:

	For the three months ended 31 March	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
– Sales of books and paper products	42,208	43,245
– Provision of sub-contracting services in relation to books and paper products	9	58
	<b>42,217</b>	<b>43,303</b>

Disaggregation of revenue from contracts with customers by timing of recognition:

	For the three months ended 31 March	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Timing of revenue recognition at a point in time	42,217	43,303

### (b) Segment reporting

Information reported to the board of directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The CODM has determined that it only has one operating segment which is books and paper products production segment.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. INCOME TAX

	For the three months ended 31 March	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<b>Current tax</b>		
Hong Kong Profits Tax		
– Current year	–	108
PRC Enterprise Income Tax		
– Current year	136	–
	<b>136</b>	<b>108</b>

- i) Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Provision for Hong Kong Profits Tax has been made for the period ended 31 March 2022 under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

- ii) Under the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiary is 25% for both periods.
- iii) The Group’s subsidiaries in the BVI are not subject to taxation.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 6. LOSS PER SHARE

The calculation of loss per share is based on the loss attributable to ordinary equity shareholders of the Company of HK\$10,699,000 and HK\$16,922,000 for the three months ended 31 March 2023 and 2022 respectively and weighted average of 800,000,000 (2022: 800,000,000) ordinary shares of the Company in issue during the period.

There were no dilutive potential ordinary shares during the three months ended 31 March 2023 and 2022, and therefore, diluted loss per share is the same as the basic loss per share.

## 7. DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 31 March 2023 (for the three months ended 31 March 2022: Nil).

# MANAGEMENT DISCUSSION AND ANALYSIS

Unless otherwise stated, the capitalized terms used in this report shall have the same meaning as those used in the prospectus (“**Prospectus**”) dated 29 November 2017.

## BUSINESS REVIEW

The Group is a provider of printing products to Hong Kong-based print brokers with customers in overseas markets and to international publishers mainly located in the United States of America (the “**U.S.**”), the United Kingdom (the “**U.K.**”), Australia and Europe (excluding U.K.). The products comprise mainly books and other paper-related products. Paper and ink are the principal raw materials of the Group. The two production sites were the Shenzhen Factory and the Hong Kong Factory. Each of these factories is a self-functioning printing and production arm of the Group, and they share the printing workload allocated by the management. The Group’s revenue decreased by approximately 2.5% from approximately HK\$43.3 million for the three months ended 31 March 2022, to approximately HK\$42.2 million for the three months ended 31 March 2023 due to decrease in sales order as a result of overall global economic uncertainty which is caused by a rise in interest rates and worsened by the Russia-Ukraine war. The Group recorded a net loss of approximately HK\$10.7 million during the three months ended 31 March 2023, as compared to a net loss of approximately HK\$16.9 million during the three months ended 31 March 2022, which was mainly due to an improvement in gross profit margin, and a gain on disposal of machinery and an exchange gain were recorded for the three months ended 31 March 2023.

The Company has adopted a strategy of diversification of existing business segments. On 21 April 2023, the Company entered into the Sale and Purchase Agreement in which the Company has conditionally agreed to purchase 13% of the entire registered share capital of the Target Company for consideration of RMB1,050,000 which will be satisfied by issue of 31,120,000 Consideration Shares representing approximately 3.74% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares immediately after Completion. For details, please refer to the announcement dated 21 April 2023 and supplemental announcement dated 11 May 2023.

## FUTURE PROSPECTS

Looking forward, there are certain risks that the Group will face in further development such as challenges from the uncertainty of economies by reason of, among others, the tightening monetary policy, an increase in paper cost and technological advancements in publishing and new forms of information dissemination. However, we remain cautiously optimistic of the prospects and believe that the printing market will be sustainable in a steady and healthy way, and intend to continue to build the Group’s competitive strengths so as to increase market share and profitability. To achieve its goal, the Group plans to implement the following business strategies: improving its equipment and the level of automation, expanding customer base and product diversification, and continuing to attract and retain top talent in the industry.

## FINANCIAL REVIEW

### Revenue

The Group generates revenue primarily from the provision of printing products to Hong Kong-based print brokers with customers in overseas markets and to international publishers mainly located in the U.S., U.K., Australia and Europe (excluding U.K.). The revenue decreased by approximately 2.5% from approximately HK\$43.3 million for the three months ended 31 March 2022, to approximately HK\$42.2 million for the three months ended 31 March 2023. The decrease was primarily due to the decrease in sales orders due to overall global economic uncertainty.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Cost of Sales

The cost of sales primarily consists of raw materials and consumables, staff costs, sub-contracting fees, depreciation and water and electricity. The cost of sales decreased by approximately 10.2% from approximately HK\$35.3 million for the three months ended 31 March 2022 to approximately HK\$31.7 million for the three months ended 31 March 2023. The decrease was primarily attributable to the decrease in revenue and is a result of the implementation of stringent cost control measures by the Company.

## Gross profit and gross profit margin

The gross profit was approximately HK\$8.0 million and HK\$10.6 million for the three months ended 31 March 2022 and 2023 respectively. The gross profit margin was 18.5% and 25% during the three months ended 31 March 2022 and 2023 respectively. The improvement in gross profit margin was primarily due to the implementation of cost control measures by the Group.

## Other income

Other income mainly consists of the foreign exchange gain/loss, the profit arising from sales of scrap materials, rental income and income received from government grants. Other income increased by approximately 207% from approximately HK\$1.4 million for the three months 31 March 2022 to HK\$4.3 million for the three months ended 31 March 2023. The increase was due to a gain on disposal of machinery and the fact that an exchange gain of approximately HK\$0.3 million was recorded during the three months ended 31 March 2023 as compared to an exchange loss of approximately HK\$1.3 million recorded during the three months ended 31 March 2022.

## Distribution costs

Th Group recorded distribution expenses of approximately HK\$6.7 million for the three months ended 31 March 2023 and HK\$8.3 million for the three months ended 31 March 2022. The decrease was mainly due to strict cost control measures on the selling and distribution costs.

## Administrative expenses

Administrative expense primarily consists of staff costs and benefits, directors' emoluments and depreciation. The administrative expenses decreased by approximately 3% from approximately HK\$16.8 million for the three months ended 31 March 2022 to HK\$16.3 million for the three months ended 31 March 2023 mainly due to decrease in staff costs and office expenses.

## Finance costs

The Group recorded finance costs of approximately HK\$2.4 million for the three months ended 31 March 2023 and HK\$1.2 million for the three months ended 31 March 2022. The increase was due to an increase in interest expense on borrowings and lease liabilities.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Income tax

Income tax represents income tax paid or payable by the Group, at the applicable tax rates in accordance with the relevant laws and regulations in each tax jurisdiction the Group operates or domiciles. The Group had no tax payable in other jurisdiction other than PRC for the three months ended 31 March 2023. The operations in Hong Kong are subject to the two-tiered profits tax rate regime, which the first HK\$2 million of profits of qualifying entity will be taxed at 8.25% and profits above HK\$2 million will be taxed at 16.5%. The operations in the PRC are subject to a corporate income tax rate of 25.0%. The Group recorded income tax of approximately HK\$0.1 million for the three months ended 31 March 2022 and three months ended 31 March 2023 respectively. The tax payable remained stable during the reporting period.

## Loss for the period

As a result of the foregoing, a loss of approximately HK\$10.7 million was recorded for the three months ended 31 March 2023 as compared to loss of HK\$16.9 million for the three months ended 31 March 2022 which was mainly due to an improvement in gross profit margin, the gain on disposal of machinery and the exchange gain.

## EVENTS AFTER THE REPORTING PERIOD

On 21 April 2023, the Company entered into the Sale and Purchase Agreement in which the Company has conditionally agreed to purchase 13% of the entire registered share capital of the Target Company for consideration of RMB1,050,000 which will be satisfied by issue of 31,120,000 Consideration Shares representing approximately 3.74% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares immediately after Completion. For details, please refer to the announcement dated 21 April 2023 and supplemental announcement dated 11 May 2023.

Save as disclosed herein, the Board is not aware of any events after the reporting period that requires disclosure.

## DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 31 March 2023 (for the period ended 31 March 2022: Nil).

## OTHER INFORMATION

### CORPORATE GOVERNANCE PRACTICE

The Board is responsible for performing the corporate governance duties in the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as set out in Appendix 15 of the GEM Listing Rules, which includes developing and reviewing the Company’s policies and practices on corporate governance, training and continuous professional development of Directors, and reviewing the Company’s compliance with the code provision in the CG Code and disclosures in this report.

The Company has complied with the principles and applicable code provisions of the CG Code for the three months ended 31 March 2023, except the deviation from code provision C.2.1 of the CG Code as set out below.

#### Chairman and Chief Executive Officer

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Mr. Lam Sam Ming (“**Mr. Lam**”) is the chairman and the chief executive officer of the Company. Mr. Lam has over 39 years of experience in the printing industry. Mr. Lam established our Group through L & L Limited in December 1992. Since then he has been in charge of the overall business strategies and operation of our Group. The Directors are of the view that it would be in the Group’s best interest for Mr. Lam to continue performing the two roles in terms of effective management and business development. The Directors further believe that the balance of power and authority is adequately ensured by the operations of the Board, which comprises experienced and high-caliber individuals, with three of them being independent non-executive Directors.

Based on the above factors, the Board considers that the deviation from the code provision C.2.1 of the CG Code is appropriate.

### CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the Shares (the “**Code of Conduct**”). Having made specific enquiries to all Directors, each of them has confirmed that he/she has fully complied with the required standard of dealings set out in the Code of Conduct during the three months ended 31 March 2023.

### SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Scheme**”), the principal terms of which are summarised in the sub-section headed “Appendix V – Statutory and General Information – D. Share Option Scheme” in the Prospectus.

No share option has been granted or exercised under the Scheme during the three months ended 31 March 2023. No share option was outstanding as at 31 March 2023.

## OTHER INFORMATION

### PURCHASE, SALE OR REDEMPTION OF THE SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Shares for the three months ended 31 March 2023.

### DISCLOSURE OF INTERESTS

#### (a) Interests and/or short positions of Directors in the Shares, underlying shares or debentures of our Company and its associated corporations

As at 31 March 2023, our Directors had the following interests and/or short positions in the shares, underlying shares or debentures of our Company and its associated corporations (within the meaning of Part XV the SFO) which have been notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which have been required pursuant to section 352 of the SFO to be entered in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by our Directors, been notified to our Company and the Stock Exchange:

##### (i) Interests in our Company

Name of Director	Capacity	Number of Shares (Note 1)	Percentage of interest in our Company
Mr. Lam (Notes 2&4)	Interest of controlled corporation	480,000,000 (L)	60%
Ms. Yao (Notes 3&4)	Interest of spouse	480,000,000 (L)	60%

##### Notes:

1. The letter “L” denotes the person’s long positions in the Shares.
2. These 480,000,000 Shares are held by First Tech, which is wholly and beneficially owned by Mr. Lam. As such, Mr. Lam is deemed to be interested in these 480,000,000 Shares under the SFO upon the Listing.
3. Ms. Yao is the spouse of Mr. Lam. Under the SFO, Ms. Yao is deemed to be interested in the same number of Shares in which Mr. Lam is interested.
4. The Company was notified by First Tech Inc. (“**First Tech**”), a controlling shareholder (as defined under the GEM Listing Rules) of the Company, that on 12 October 2018, First Tech had executed a charge over its 72,000,000 Shares (the “**Charged Shares**”) in the issued share capital of the Company in favour of a third party (“**Lender**”) as security for a loan granted by the Lender to First Tech. First Tech is wholly owned by Mr. Lam Sam Ming, the chairman and controlling shareholder of the Company. As at 31 March 2023, the Charged Shares represent 9% of the issued share capital of the Company. For further details, please refer to the announcement of the Company dated 12 October 2018.

## OTHER INFORMATION

### (ii) Interests in an associated corporation of our Company

Name of Director	Name of associated corporation	Capacity	Number of shares held	Percentage of shareholding interest
Mr. Lam	First Tech	Beneficial owner	50,000	100%

Save as disclosed above, as at 31 March 2023, none of our Directors had any interests and/or short position in the shares, underlying shares or debentures of our Company and its associated corporations (within the meaning of Part XV of the SFO) which have been notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which have been required pursuant to section 352 of the SFO to be entered in the register referred to therein or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors.

### (b) Interests and/or short position of substantial shareholders in the Shares which are discloseable under Divisions 2 and 3 of Part XV of the SFO

So far as is known to our Directors, as at 31 March 2023, the following persons (not being a Director or chief executive of our Company) had an interest or a short position in the Shares or underlying Shares which have been disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or interested in 10% or more of the total number of issued Shares of share capital carrying rights to vote in all circumstances at general meetings of any other members of our Group:

Name of substantial shareholders	Capacity	Number of Shares (Note 1)	Percentage of interest in our Company
First Tech (Notes 2&3)	Beneficial owner	480,000,000 (L)	60%
Infinity (Note 4)	Person having security interest in the shares	72,000,000 (L)	9%

#### Notes:

- The letter “L” denotes the person’s long positions in the Shares.
- First Tech is a company incorporated in the BVI which is wholly and beneficially owned by Mr. Lam, an executive Director.
- The Company was notified by First Tech Inc. (“**First Tech**”), a controlling shareholder (as defined under the GEM Listing Rules) of the Company, that on 12 October 2018, First Tech had executed a charge over its 72,000,000 shares (the “**Charged Shares**”) in the issued share capital of the Company in favour of a third party (“**Lender**”) as security for a loan granted by the Lender to First Tech. First Tech is wholly owned by Mr. Lam Sam Ming, the chairman and controlling shareholder of the Company. As at the date of this report, the Charged Shares represent 9% of the issued share capital of the Company. For further details, please refer to the announcement of the Company dated 12 October 2018.
- Infinity is wholly owned by Infinity International Holding Limited which is in turn held by Zhao Zhisheng as to 50% and by Cheung Ting Kin as to 50%. Each of Infinity International Holding Limited, Zhao Zhisheng and Cheung Ting Kin is deemed to be interested in 9% of total issued shares of the Company under SFO.

## OTHER INFORMATION

Save as disclosed above, so far as is known to our Directors, as at 31 March 2023, there are no other person (not being a Director or chief executive of our Company) who had an interest or a short position in the Shares or underlying shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be interested in 10% or more of the voting power at general meetings of any other members of our Group.

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

Other than members of the Group, none of the Directors or their respective close associates (as defined in the GEM Listing Rules) has interest in any business which competes or is likely to compete, directly or indirectly, with the business of the Group.

## AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) on 15 November 2017 with its written terms of reference in compliance with the GEM Listing Rules. The Audit Committee has reviewed the unaudited consolidated financial results of the Group for the three months ended 31 March 2023. The Audit Committee is of the opinion that such financial results comply with the applicable accounting standards and the GEM Listing Rules and that adequate disclosures have been made.

By order of the Board of  
**Prosperous Printing Company Limited**  
**Lam Sam Ming**  
*Chairman*

Hong Kong, 15 May 2023

*As at the date of this report, the executive Directors are Mr. Lam Sam Ming, Ms. Chan Sau Po and Ms. Yao Yuan; and the independent non-executive Directors are Ms. Cheung Yin, Mr. Wong Hei Chiu and Mr. Leung Vincent Gar-Gene.*